

**Joint Petition of Utilities, Inc., Wildwood Water Service Company
and Wildwood Utility Co.**

EXHIBIT A

WILDWOOD UTILITY CO. - ASSET PURCHASE AGREEMENT

WINNEBAGO COUNTY, ILLINOIS

This Agreement is entered into on this 29th day of Jan, 2001 by and between Wildwood Utility Co., an Illinois corporation, (hereinafter referred to as "Seller") and Utilities, Inc., an Illinois corporation (hereinafter referred to as "Purchaser").

WITNESSETH

WHEREAS the Seller is the owner of a water utility system which has been installed to provide central water service to approximately 200 customers within Winnebago County, Illinois, and more fully described on Exhibit 1, attached, (hereinafter referred to as the "Service Area"); and

WHEREAS Purchaser is engaged through its operating subsidiaries in the business of furnishing water and sewer service to the public in various communities throughout the United States. Purchaser desires to acquire, and Seller desires to sell the water supply, storage and distribution facilities (the "Facilities") installed to provide service to the Service Area, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

REPRESENTATIONS BY SELLER

Seller represents and warrants that:

- 1) Seller is, and at the closing (the "Closing" as hereinafter defined) a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois. Seller's Certificate of Incorporation contains charter powers authorizing them to construct, operate and maintain a public water system.
- 2) Seller has obtained from the Illinois Commerce Commission (hereinafter referred to as the "Commission") a Certificate of Public Convenience and Necessity, and authorization and approval of rates, rules and regulations for water service within the Service Area.
- 3) Seller will cooperate fully with Purchaser in any and all applications or petitions to public authorities deemed necessary or desirable by Purchaser in connection with the purchase of the Facilities from Seller as contemplated herein.
- 4) Attached hereto as Exhibit 2 is a detailed list of the Facilities of the Seller, as well as a legal description of the real estate upon which the Facilities are situated, to be acquired by Purchaser pursuant to this Agreement. Exhibit 2 will also include the respective installation, construction or purchase costs of the Facilities and associated real estate.

Said Facilities include all water utility assets, equipment and real estate owned by Seller within the Service Area. All Facilities as indicated on Exhibit 2 will be in satisfactory operating condition as of the date of closing.

- 5) The engineering plans and specifications for the Facilities have been attached hereto as Exhibit 3.
- 6) Exhibit 4 is a list, signed by the Seller, and briefly describing, as of the date of this Agreement, the following:
- (a) All pending or threatened action at law, suits in equity or administrative proceedings relating to the Facilities and/or involving Seller;
 - (b) All contracts or obligations of any nature relating to the Facilities between Seller and any other party, including all developer agreements relating to the Service Area.
 - (c) All liens and encumbrances with respect to the Facilities owned by Seller to be transferred hereunder.
- 7) Except as indicated in Exhibit 4, there are no pending or threatened actions at law or suits in equity relating to the Facilities, or any pending or threatened proceedings before the Commission or any other governmental agency.
- 8) Except as indicated in Exhibit 4, there are no contracts or obligations of any nature between Seller and any other party relating to the Facilities.
- 9) Except as indicated in Exhibit 4, Seller is, and at the Closing, the owner of the Facilities with good and marketable title, free and clear of all liens and encumbrances.
- 10) Except as indicated in Exhibit 4, Seller has, or at the Closing will have, all necessary permits, licenses and all easements (including sufficient rights to access) for its water utility business as currently operated; the Facilities of Seller have been installed within the easements relating thereto and in accordance with any necessary permits or licenses; the Facilities of Seller have been constructed and will be capable of operation in accordance with at least the minimum standards, requirements, rules and regulations of all governmental bodies, and regulatory agencies which may have jurisdiction thereover.
- 11) Except as indicated on Exhibit 4, Seller has filed all tax returns which are required to be filed, and each such return which has been filed is true and correct, and Seller has paid all taxes shown as payable on such returns, when and as required by applicable law.
- 12) Neither Seller nor any entity or individual affiliated with Seller has executed any agreement with purchasers of lots within the Service Area, or any other parties, whereunder such purchasers or other parties have acquired any interest in the Facilities used or to be used in rendering service to them.
- 13) Between the date hereof and the Closing, the water utility business of Seller will be operated in the ordinary course and Seller will permit Purchaser, its attorneys and agents, to examine Seller's books, accounts, and other records and physical properties relating to the Facilities.

- 14) Prior to the Closing, the consummation of the transactions contemplated herein will have been duly authorized by all necessary action, corporate or otherwise, on behalf of Seller.
- 15) Except as herein set forth, all of the easements, permits and other contracts of Seller with respect to the Facilities are assignable or, if consent of a third party is necessary, Seller will obtain such consent, prior to the Closing.
- 16) No representation or warranty by Seller in this Agreement, or any statement or certificate furnished or to be furnished to Purchaser pursuant hereto or in connection with the transactions contemplated herein, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE II

REPRESENTATIONS BY PURCHASER

Purchaser represents and warrants that:

- 1) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, with full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated herein. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate action of Purchaser.
- 2) Purchaser shall timely file a petition (the "Petition") before the Commission for transfer of Seller's water utility franchise subject to the terms and conditions of this Agreement and shall use its best efforts to seek such approval.

ARTICLE III

CLOSING AND PURCHASE PRICE

- 1) **Closing**
 - (a) The Closing shall take place within thirty (30) days of approval of the Petition by the Commission at the offices of Seller's counsel, or at such other time and place as Seller and Purchaser may agree upon.
 - (b) At the Closing, the Seller will, upon due performance by Purchaser of its obligations under the Agreement, deliver to Purchaser:
 - (i) such good and sufficient special warranty deeds, bills of sale with covenants of warranty, and sufficient instruments of sale, in form and substance satisfactory to Purchaser's counsel, as shall be required to vest in Purchaser good, indefeasible and marketable title to all of the Facilities and related real estate used or to be used for the water facilities, free and clear of liens and encumbrances of every nature except as otherwise indicated on the title insurance policy described below.

- (ii) all of the files, documents, papers, agreements, books of account, customer lists, original cost invoices, engineering drawings, and records pertaining to the water utility business conducted by Seller in the Service Area, other than its minute books and stock records, and any other records reasonably needed by Seller;
- (iii) all orders, permits, licenses or certificates issued or granted to Seller by any governmental authority in connection with any authorization related to the construction, operation or maintenance of its Facilities or the conduct of its water utility business; and
- (iv) a title insurance policy in an amount of \$25,000 for all of the real estate listed on Exhibit 2 showing good and marketable title in Purchaser, subject only to the standard title exceptions, and such other exceptions as are reasonably acceptable to Purchaser. In the event there are title exceptions which are not acceptable to Purchaser, this Agreement shall terminate and neither party shall have any further obligations hereunder.
- (v) An opinion of Counsel for Seller, dated as of the Closing, that upon the execution of this Agreement by Seller and delivery to Purchaser of the Bill of Sale for the Facilities (other than real estate) Purchaser will have all of Seller's title to the Facilities (other than real estate) free and clear of any liens and encumbrances reflected by a filing under the Illinois Uniform Commercial Code with the Department of State, as of a date no earlier than ten days prior to the Closing.
- (c) At the Closing and from time to time thereafter, Seller shall execute and deliver such further instruments of sale, conveyance, transfer and assignment, and take such other action as Purchaser may request, in order more effectively to sell, convey, transfer and assign to Purchaser any of the Seller's Facilities, to confirm the title of Purchaser thereto and to assist Purchaser in exercising rights with respect thereto.

2) Purchase Consideration

The Purchase Price shall equal \$123,000.00 (ONE HUNDRED TWENTY THREE THOUSAND DOLLARS), increased by the amount of any current and/or accrued customer accounts receivable (which Seller represents and warrants will be collected at their face amount) transferred by Seller to Purchaser and decreased by any and all liabilities (current, accrued, long-term or other) assumed by Purchaser. Property Taxes (real and personal), shall be pro-rated based on the date of Closing and on the tax assessments and tax rates in effect for the previous year.

ARTICLE V
COMMISSION APPROVAL

Within thirty (30) days following execution of this Agreement, Purchaser will file a Petition with the Commission requesting approval of this Agreement; transfer of the Facilities and the Public Utility Franchise; and approval of the rates, fees, and charges applicable to water utility customers in the Service Area. The parties agree to cooperate fully with each other in connection with the applications referenced herein

ARTICLE VI
GENERAL

- 1) The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
- 2) Any notice of delivery required to be made hereunder may be made by mailing a copy thereof addressed to the appropriate party as follows:

If to Purchaser: Utilities, Inc.
 2335 Sanders Road
 Northbrook, IL 60062
 Attn: Jim Camaren
 Chairman & Chief Executive Officer

If to Seller: Wildwood Utility Co.
 c/o J.D. Bergman Corporation
 108 East Ogden Ave
 Hinsdale, IL 60521
 Attn: Mr. J. D. Bergman

Delivery when made by registered or certified mail, shall be deemed complete upon mailing.

- 3) The Exhibits to this Agreement are a part hereof and are hereby incorporated in full by reference.
- 4) This Agreement shall be governed by the laws of the State of Illinois.
- 5) The representations and warranties contained herein shall survive, and continue in effect after the Closing. Purchaser agrees to indemnify Seller, its successors and assigns, and hold it harmless against any loss, damage, liability, expense or cost accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Purchaser under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Seller by Purchaser; Seller agrees to indemnify Purchaser, its successors and assigns, and hold it harmless against any loss, damage, liability, expense or cost, accruing or resulting from any misrepresentation or breach of any representation, or warranty or agreement made or to be

performed by Seller under this Agreement or from any misrepresentation in or material omission from any certificate or other documents furnished or to be furnished to Purchaser by Seller.

- 31 *[Signature]*
- 6) If this Agreement is not executed by both Purchaser and Seller prior to January ~~14~~ 2001, then the terms and conditions herein are waived with no further obligations or responsibility to either party.
- 7) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. It is specifically understood that Purchaser intends to transfer its rights and obligations under this Agreement to a separate wholly-owned subsidiary of Utilities, Inc.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year above first written.

UTILITIES, INC.

By *[Signature]*
Chairman & Chief Executive Officer

ATTEST:

Philip S. Seely

WILDWOOD UTILITY CO., INC.

By *[Signature]*

ATTEST:

Sue Hansen

Wildwood Utility Co. - Asset Purchase Agreement

EXHIBIT 1

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

In the matter of the application of :
the Wildwood Utility Co. for a certi- :
ficate of convenience and necessity :
for authority to construct, operate :
and maintain a public water supply :
system and to transact a public water : 45734
utility business in an unincorporated :
area commonly known as Mulford's Wild- :
wood Subdivision, a part of the Southwest :
One Quarter of Section 34, T. 44 N., :
Range 2, East of the Third Principal :
Meridian, in Winnebago County, Illinois. :

ORDER
and
CERTIFICATE OF CONVENIENCE AND NECESSITY

By the Commission:

On February 16, 1959, Wildwood Utility Co. filed its verified petition for a certificate of convenience and necessity to construct, operate and maintain a public water works in a certain unincorporated area known as Mulford's Wildwood Subdivision, a part of the Southwest One Quarter of Section 34, Township 44 North, Range 2 East of the Third Principal Meridian, near the City of Rockford, Winnebago County, Illinois, and to transact a public water utility business in the proposed area.

Pursuant to notice as required by law and the rules of this Commission a hearing was held on March 9, 1959, before a duly authorized Examiner of the Commission at its offices in Springfield, Illinois. At the conclusion of said hearing the case was marked "Heard and Taken".

At said hearing Petitioner was represented by counsel and offered evidence in support of the application. There were no other appearances.

The Petitioner presented evidence that the area described in its petition has been subdivided into 80 building sites, and is designated as Mulford's Wildwood Subdivision, Plat 1.

The Commission, having given due consideration to the application and to all the evidence, both oral and documentary, and being fully advised in the premises, is of the opinion and finds:

- (1) that Wildwood Utility Co., Petitioner herein, is a corporation duly organized and existing under and by virtue of the laws of the State of Illinois, with charter powers to construct, operate and maintain a public water works to furnish water service to the public in the State of Illinois, and as such is a public utility within the meaning of "An Act concerning public utilities", as amended; that said Petitioner has made application to this Commission for a certificate of convenience and necessity for authority to construct, operate and maintain a public water works in the area hereinafter described in finding (4) of this order; that by reason of the foregoing the Commission has jurisdiction of the subject matter herein and of the Petitioner;
- (2) that notice of the hearing was given pursuant to law and to the rules and regulations of this Commission;
- (3) that Petitioner proposes to construct, operate and maintain a public water works consisting of a well, pumping equipment, distribution water mains, and other necessary water facilities, and to transact a public water utility business in the area more particularly described in finding (4) of this order;
- (4) that there is a need and demand for public water utility service in the area proposed to be served by Petitioner; that there is no other public water service in said area now available to adequately serve and meet said demand in that area, all located in a part of the Southwest One-Quarter of Section 34, Township 44 North, Range 2 East of the Third Principal Meridian, near the City of Rockford, Illinois, and more adequately described as follows:

Beginning at the southeast corner of said quarter section, thence N. $0^{\circ}-42'-45''$ E. on an assumed bearing, 1705.92 feet to the centerline of the Cherry Valley Road; thence N. $80^{\circ}-19'-22''$ W. 2123.63 feet along said centerline of road; thence S. $9^{\circ}-40'-38''$ W. 299.00 feet; thence S. $80^{\circ}-19'-22''$ E. 784.00 feet to a point; thence southerly along a circular arc whose center is 1238.00 feet S. $80^{\circ}-19'-22''$ E. of said last point to its intersection with the chord of said arc 193.50 feet long; thence S. $0^{\circ}-42'-45''$ W. a distance of 150.00 feet to a point; thence southerly along a circular arc whose center is 376.12 feet N. $89^{\circ}-17'-15''$ W. of said last point to its intersection with the chord of said arc 158.03 feet long; thence S. $24^{\circ}-57'-59''$ W. a distance of 139.71 feet; thence S. $65^{\circ}-02'-01''$ E. 66.00 feet; thence southerly along a circular arc whose center is S. $24^{\circ}-57'-59''$ W. 900.00 feet to its intersection with the chord of said arc 870.97 feet long; thence S. $31^{\circ}-13'-10''$ E. 76.91 feet; thence S. $2^{\circ}-40'-42''$ E. 220.17 feet to the south line of said Section 34; thence N. $89^{\circ}-40'-17''$ E. 839.03 feet along said section line to the point of beginning.

Excepting therefrom that part of the premises which was included in the deed to the County of Winnebago, recorded in Book 387 of Deeds, Page 220 and the highway dedication recorded in Book 660 of Records, page 372.

and fully described and shown in detail on Petitioner's Exhibit #2 and introduced as evidence in this case;

- (5) that the construction, operation and maintenance of a public water works in the area described in finding (4) above, and that the transaction of a public water utility business in the aforesaid area will promote the public convenience and is necessary thereto; that a certificate of convenience and necessity should be granted to Petitioner for the construction, operation and maintenance of the aforesaid utility facilities, and for the transaction of a public water utility business in the particular area described in finding (4) above, all as herein set forth; and
- (6) that a schedule of rates, rules, regulations and conditions of service applicable to water service for the area described in finding (4) above, should be filed with this Commission and posted in each of the Company's offices, before exercising the authority herein conferred with respect to engaging in the business of furnishing public water service to the public.

IT IS HEREBY CERTIFIED that public convenience and necessity require the construction, operation and maintenance of a public waterworks in the area described in finding (4) of this order, and the transaction of a public water utility business in the particular aforesaid area by Wildwood Utility Co.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the above certificate of convenience and necessity be, and it is hereby, granted to Wildwood Utility Co. for (1) the construction, operation and maintenance of a public waterworks in the area described in finding (4) of this order, and (2) the transaction of a public water utility business in said area; and said certificate is issued pursuant to Section 55 of "An Act concerning public utilities", as amended.

IT IS FURTHER ORDERED that a schedule of rates, rules, regulations and conditions of service applicable to water service in the area described in finding (4) of this order, shall be filed with this Commission and posted in every station or office of the Wildwood Utility Co. where the public transacts business with said public utility, before exercising the authority herein conferred with respect to engaging in the business of furnishing public water service to the public.

IT IS FURTHER ORDERED that the foregoing certificate is granted upon the express condition and provision that authority and

permission to use the lands to be occupied by the above facilities shall be secured from landowners and/or public authorities as and where required by law.

By order of the Commission at Springfield, Illinois,
this 18th day of March, 1959.

(Signed) SHERMAN H. CANTY
Secretary

(SEAL)

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

CERTIFICATE

RE: 45734

I, SHERMAN H. CANTY, do hereby certify that I am
Secretary of the Illinois Commerce Commission of the State of
Illinois and keeper of the records of said Commission.

I further certify that the above and foregoing
is a true, correct and complete copy of order made and
entered of record by said Commission on the 18th day of
March , A. D. 1959

Given under my hand and seal of said Illinois
Commerce Commission at Springfield, Illinois, this 18th
day of March , A. D. 1959

Secretary